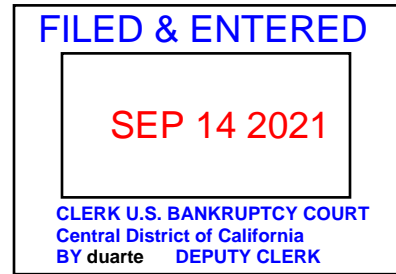


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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in
Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**ORDER GRANTING MOTION FOR
ENTRY OF ORDER: (1) ESTABLISHING
BIDDING AND SALE PROCEDURES FOR
SALE OF SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS; (2) APPROVING
FORM OF NOTICE TO BE PROVIDED
TO PROSPECTIVE BUYERS; AND (3)
SCHEDULING A HEARING FOR THE
COURT TO CONSIDER APPROVAL OF
THE SALE OF SUBSTANTIALLY ALL OF
THE DEBTOR'S ASSETS**

Hearing:

Date: September 2, 2021

Time: 10:30 a.m.

Place: ZoomGov

A hearing was held on September 2, 2021 at 10:30 a.m. (the "Hearing"), before the Honorable Erithe A. Smith, United States Bankruptcy Judge for the Central District of California, Santa Ana Division, in Courtroom "5A" located at 411 West Fourth Street, Santa Ana, California 92701 (via ZoomGov), to consider the motion [Doc. No. 214] (the "Motion") filed by The Source

1 Hotel, LLC, a California limited liability company (the “Debtor”), the debtor and debtor in
2 possession in the above-captioned chapter 11 bankruptcy case, for the entry of an order: (1)
3 approving the Debtor’s proposed bidding and sale procedures described in the Motion (the
4 “Bidding Procedures”), to be utilized in connection with the proposed sale of substantially all of
5 the Debtor’s assets (the “Assets”), free and clear of all liens, claims, encumbrances and other
6 interests; (2) approving the form of notice to be provided by the Debtor to prospective buyers and
7 other parties in interest, in substantially the form attached as Exhibit “1” to the Declaration of
8 Donald Chae annexed to the Motion (the “Proposed Notice”); and (3) scheduling a hearing for the
9 Court to conduct an auction of the Assets (“Auction”) in the event that there are two or more
10 qualified bidders for the Assets and to consider approval of the Debtor’s sale of the Assets to the
11 highest and best bidder. Appearances at the Hearing were made as set forth on the record of the
12 Court.

13 The Court, having considered the Motion and all papers filed by the Debtor in support of
14 the Application, the objection to the Motion [Doc. No. 221] (the “Objection”) filed by certain
15 individual EB-5 investors (the “EB-5 Investors”), the reply to the Objection filed by Shady Bird
16 Lending, LLC [Doc. No. 222], the oral arguments, statements and representations of counsel and
17 parties in interest made at the Hearing on the Motion, and all matters of record in the Debtor’s
18 Chapter 11 bankruptcy case, proper and adequate notice of the Hearing on the Motion having
19 been provided, and good cause appearing,

20 IT IS HEREBY ORDERED AS FOLLOWS:

21 1. The Motion is granted subject to the terms and conditions set forth in this Order,
22 and the Objection to the Motion, to the extent not resolved by this Order, is overruled.

23 2. The contact information for the members of Beach Orangethorpe Hotel, LLC and
24 Beach Orangethorpe Hotel II, LLC requested by the EB-5 Investors shall be provided to counsel
25 for the EB-5 Investors by 5:00 p.m. (Pacific Time) on September 2, 2021.

26 3. The Bidding Procedures are approved, subject to the following modification:

27 a. Copies of all bids for the Assets received by the Debtor and its real estate
28 broker, including information and documents submitted by bidders in support of their

1 respective bids, shall be provided to counsel for Shady Bird and counsel for the EB-5
2 Investors.


3 b. Shady Bird and the EB-5 Investors shall be prohibited from having any
4 direct or indirect communication (whether oral or in writing) with any prospective buyers
5 of the Assets or any of their affiliates or representatives; provided, however, that the EB-5
6 Investors shall be permitted to communicate with its proposed partner, LCP Acquisitions
7 LLC.

8 4. The Proposed Notice is approved, and the Debtor is authorized to provide such
9 Proposed Notice to prospective buyers and other known parties in interest.

10 5. An auction of the Assets, in the event that there are more than one qualified bidder
11 for the Assets, and the hearing for the Court to consider approval of the Debtor's sale of the
12 Assets to the highest and best bidder shall be conducted before the Court, via ZoomGov, on
13 September 30, 2021 at 2:00 p.m. (Pacific Time).

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24 Date: September 14, 2021


Erithe Smith
United States Bankruptcy Judge